

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF DENNIS ) APPEAL NO. 07-A-2615  
MCCLINTOCK from the decision of the Board of ) FINAL DECISION  
Equalization of Valley County for tax year 2007. ) AND ORDER  
)

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing February 27, 2008, in Cascade, Idaho before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Dennis McClintock appeared. Assessor Karen Campbell and Appraiser Julie Yates appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP002860030110A.

**The issue on appeal is the market value of a residential property.**

**The decision of the Valley County Board of Equalization is reversed.**

FINDINGS OF FACT

The assessed land value is \$119,210, and the improvements' valuation is \$342,990, totaling \$462,200. Appellant requests the land value be reduced to \$113,000, and the improvements' value be reduced to \$279,253, totaling \$392,253.

Subject property is a .612 acre residential lot with a 1,862 square foot single-family residence built in 2005, located in Wagon Wheel subdivision in Donnelly, Idaho.

At hearing Taxpayer presented one sale of a newly built 2,100 square foot residence located on almost an acre, which sold for \$474,500 in August 2007. Appellant noted this sale property was closer to the lake, the residence was larger and nicer than subject and yet subject was assessed for \$462,200, only \$2,300 less.

Appellant took issue with the sales used by Respondent to value subject. Specifically the

location of the sales and the amenities enjoyed by those properties. Appellant spoke at length about subject's "detriments" including; no city water, subject not being located on the lakeshore, two dirt roads adjacent to subject which caused major dust problems, and mobile homes sitting on neighboring lots that are in disrepair and falling down.

Appellant contested Respondent's exterior measurement of subject residence, which Respondent stated is 1,862 square feet. Appellant stated the blueprints for subject represent a total of 1,736 square feet. Respondent's measurement is 126 square feet larger than Appellant's blueprints.

The County explained, regarding the square footage discrepancy, the same method is used to measure all homes.

Respondent stated the subject land is considered to be in average condition, the residence was built in 2005 and is a good grade in average condition. The County also maintained sales data did not indicate an unpaved road is a detriment to the market value of a property.

The County presented five bare land sales, four of which were in subject's subdivision. The four sales in subject's subdivision ranged in size between .499 and .643 acres, with sale prices which ranged between \$101,000 and \$150,000. Two of the sales had onsite amenities. The County also provided Appellant's three bare land sales submitted at the BOE, in order to demonstrate assessed values were within the ratio mandated by the State Tax Commission. The sales were located in subject's subdivision and ranged in size between .461 and .801 acres with sale prices which ranged between \$105,000 and \$115,000.

The County provided three 2006 improved property sales to support subject's 2007 assessed value. The Appraiser maintained these were the best sale properties available for

comparison to subject. The sale prices ranged between \$296,000 and \$385,000 or \$155 to \$188 per square foot. For comparison, subject's total assessed value was \$462,200 or \$184 per square foot. Only one of the sales was located in subject's subdivision.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-201(10) defines market value:

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The Idaho Supreme Court has recognized three approaches for determining market value.

[T]here are three primary methods of determining market value: the cost approach, in which the value as determined by new cost or market comparison is estimated and reduced by accrued depreciation; the income approach, applicable to "income producing property" in which a capitalization rate is determined from market conditions and applied to net income from the property to determine appraised value; and the market data (comparison method) approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Both parties utilized the market data approach, which analyzes recent sales of similar and proximate properties. To that end, Appellant's bare land sales of properties located in subject's subdivision that sold during 2006 are comparable. The lots were similar in size and location to

subject. The prices ranged between \$105,000 and \$115,000. The current sale presented by Appellant occurred after the January 1, 2007 lien date, the Board could not rely on it to evaluate subject's value for the current 2007 tax year.

Respondent provided five bare land sales involving property located in subject's subdivision, with the exception of one sale. Three of the sales occurred in 2006 and the other sales took place in 2005. The lot sizes ranged between .499 and .672 acres. The properties sold between \$101,000 and \$150,000, the two highest sales had added onsite amenities. Subject is .612 acres and assessed at \$119,000.

Both parties provided sales data to support their respective land value claims, the Board has determined that subject's assessed land value is in excess.

No improved properties, that sold in excess of \$385,000, were submitted, yet Respondent contended subject's \$462,200 assessed value was accurate and fair and yet the subject property has been described as being in a less desirable area than the sale properties.

After considering the information provided in this case, the Board finds subject has been over-assessed. Appellants request subject's value be reduced to \$392,253, which is reasonable considering the evidence in record. The Board will therefore reverse the decision of the Valley County Board of Equalization to reflect a decrease in the assessed land value to \$113,000, with the improvements' value to reflect a decrease to \$279,253, resulting in a total assessed value of \$392,253.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed lowering the improvements' assessed value to \$279,253, and the land value be

reduced lowering the land value to \$113,000, for a total assessed value of \$392,253.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED April 3, 2008